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ABSTRACT

Rapid population growth as a central development problem, the proper domain of government in reducing population growth, and effective measures which can be taken to reduce fertility are examined. Rapid population growth puts a brake on development because it exacerbates the difficult choice between higher consumption now and the investment needed to bring higher consumption in the future; threatens what is already a precarious balance between natural resources and people; and creates urban economic and social problems that risk becoming wholly unmangeable. There are appropriate public policies to slow population growth. Two broad justifications for government action are that a government has a duty to society as a whole and that people may have more children than they want or would want had they more information about and access to easier fertility control. Experience has shown that public policy and programs can and do make a difference. The two policies which are essential to reduce fertility are widespread education, especially for women, and easier access to contraception. There is concluding discussion of how the World Bank is playing an active role in helping address the problem of rapid population growth. (RM)

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[POPULATION GROWTH AND DEVELOPMENT]

Address

As Prepared for Delivery

By

A. W. Clausen, President

The World Bank

and

International Finance Corporation

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before the

National Leaders' Seminar on Population and Development

Nairobi, Kenya

July 11, 1984

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Mr. Vice President,
Your Excellencies,
Ladies and Gentlemen:

I am honored and delighted by your invitation to address this distinguished gathering. It is always a pleasure to come to this wonderful country, and I wish to thank you warmly, Mr. Vice President, for giving me this opportunity to share with you today some thoughts on the subject of population growth and development.

As all of us here agree, it is a subject of vast importance and undeniable urgency. While the effects of fast population growth may vary widely, depending on the institutional, economic, cultural, and demographic setting, all the evidence points overwhelmingly to the conclusion that it slows development in the developing countries. And the poor of these countries are the principal victims of the slowdown.

As I believe we can also agree: it is a problem that is insufficiently understood in many quarters of the globe. One wonders why. Even under the most optimistic assumptions, we contemplate the developing world's population of today more than doubling by the middle of the next century. In what conditions will those 6.5 billion people be forced to live? If live they can. And what if our assumptions about the decline in the average number of children born to women of child-bearing age are proven too optimistic? How many more billions will be added?

Unless we confront this dilemma today, there will be poverty-stricken people in tomorrow's developing world in increasing numbers and indescribable misery.

Our gathering here is one more demonstration of the deep concern and commitment of President Arap Moi, of you, Mr. Vice President, and of the government of Kenya, to meet the challenge of rapid population growth in your own country. There is indeed a strong link between population growth rates on the one hand and the rate of economic and social development on the other. You have boldly recognized that link, and we wish you well in your determined efforts not to let the pace of the former undermine the prospects of the latter.

But we should not be content just to wish you well. The World Bank is determined to support the broad spectrum of initiatives which you and the peoples of all developing nations are taking in the struggle against poverty. And here in Kenya we are especially anxious to help you in the population field by supporting your Family Planning Program in particular and your primary level health services and your education services in general. We are much encouraged that you have asked us to be one of your partners in this endeavor. We will do all we can to make that participation as helpful to you as possible.

You will readily understand why The World Bank, devoted as it is to the promotion of economic and social development in the developing countries, should be profoundly concerned with the population issue. Population growth is a key issue in development. And we are reaffirming our recognition of that basic fact by devoting the major part of the 1984 World Development Report, published today, to this problem. In humbly commending it to you, I would like to address the principal issues it raises concerning the problem. Complex as the problem is, the message I wish to convey about it can be clearly stated in three parts.

First, rapid population growth is a central development problem. Continuing rapid growth on an ever larger base will mean lower living standards for hundreds of millions of people. The main cost of such growth, borne principally by the poor in developing countries, has been, and will continue to be, lost opportunities for improving people's lives.

Second, proposals for reducing population growth raise difficult questions about the proper domain of public policy. Family and fertility are areas of life in which the most fundamental human values are at stake. Many public policy measures inevitably influence private decisions about family size. The question is: are there public policies seeking to reduce fertility which are appropriate to an area where private rights are paramount? Our answer is a firm "yes."

Third, in the past two decades, and especially in the past ten years, many developing countries have shown that quick, effective measures can be taken to reduce fertility. Experience has taught us that policy and programs can and do make a difference.

Let me now expand on these three themes. And as a preface to what I want to say first about rapid population growth as a development problem, let me say something about past and future population growth in the developing world.

The second half of the twentieth century stands out in history as a period of remarkable population growth. Through most of the first half of this century, population growth was at the historically rapid rate of one percent. But then it accelerated to twice that rate, and between 1950 and today, the world's population has nearly doubled, from 2.5 billion to almost 4.8 billion.

Until the twentieth century, prosperity and population increase went hand-in-hand. But in this century, and particularly since 1950, population growth has been faster where income is low, and concentrated in developing countries. Of the 1984 world population increase of at least 80 million, more than 70 million will be added in developing countries, which now contain about three-quarters of the global population.

The delinking of population growth and prosperity occurred in part as public health and improved communications brought death rates down even where gains in living standards were small. A combination of continued high fertility and much reduced mortality has led to population growth of between 2 and 4 percent a year in most developing countries as compared with one percent a year in most developed countries.

The stark facts are that growth at three percent per year means that in seventy years population grows eightfold; at one percent a year it merely doubles. No group of people appreciates the implications of this better than we who are assembled here today in a country where the population growth rate has been projected this year at some 3.8 percent. That is most probably the highest rate in the world, and one that would double Kenya's population about every eighteen years.

For developing countries as a group, population growth rates have slowed somewhat, from a peak of 2.4 percent in 1965 to about 2 percent today. But further decline in population growth in developing countries will not come automatically. Much of the slow-down so far can be attributed to the People's Republic of China, where fertility is already low -- close to an average of 2.5 children per family. Most families in other developing countries now have at least four children; in rural areas five or more.

For parts of South Asia and the Middle East, forecasts of a lower rate of population growth are based more on hope than on present trends. For much of Sub-Saharan Africa, population growth rates are actually rising, and could rise still further.

In Africa, many if not most couples say they want more children than in fact they are having, whereas mortality, still high, can be expected to decline. For example, The World Fertility Survey's findings on Kenya indicated a strong desire for large families. Relating to the period 1977-78, only 17 percent of then married women stated that they wanted no more children. Among those with eight living children, only 48 percent wanted no more. At the same time, though desired family size is high, actual family size is even higher, indicating that some couples have more children than they want. The mean desired family size in 1977-78 was about seven; but the number of children each mother was having averaged eight. All this suggests that in Kenya there is an unmet need for family planning services. But a substantial decline in fertility can only occur if desired family size falls.

We should be aware, moreover, of the effects of what we call "population momentum." This simply means that growth rates will remain high in developing countries for several decades, even if couples have fewer children. Absolute annual increases in population are likely to rise to over 80 million people a year. And they will remain that high through the end of this century since the baby "bulge," which resulted from high fertility and falling mortality twenty years ago, has itself now entered childbearing age.

Let me stress that population projections should not be treated as predictions, but as illustrations of what can happen given reasonable assumptions. If the assumptions underlying the "standard" projections of The World Bank are correct, world population would rise from almost 4.8 billion today to almost 10 billion by the middle of the next century.

The population of today's developed countries would grow from about 1.2 billion today to 1.4 billion in 2050 — an increase of some 16 1/2 percent. But the countries we currently classify as developing would see their total population grow from 3.6 billion to 8.4 billion, an increase of 133 percent.

By the time the world population stabilized at over 11 billion in about the year 2150, the population of India would be 1.8 billion, making it the most populous nation on earth. And Kenya's population would have risen from 19.7 million today to a staggering 160 million, a situation surely as impermissible as it is unimaginable. And as a group, the countries of South Asia and Sub-Saharan Africa would account for about 50 percent of the world's people, compared with about 30 percent today.

These are awe-inspiring projections. And yet, in some respects, the assumptions underlying these projections may well be optimistic. Maybe fertility will <u>not</u> have fallen to replacement level in all developing countries sixty years from now. And maybe -- even though a lesser factor in high population growth -- mortality will <u>not</u> continue to fall rapidly. Even with rapid income growth and advances in literacy in the next two decades, the poorer countries of Africa and South Asia are not likely to reach the income and literacy levels that triggered fertility declines in such countries as Brazil, Korea, and Malaysia in the 1960s. Yet their fertility is projected to decline significantly. But even with those declines their population will more than double in the next fifty years.

One might well ask whether population increases of this order -- trebling, quadrupling, or more -- would not put an unbearable strain on the existing social fabric, and plunge countries into chaos. Would not rising unemployment and increasing landlessness overwhelm social and political institutions? Would not fragile administrative systems be unable to maintain health programs? Would, then, rising death rates, rather than falling birth rates, be the check on further population growth?

Even under an alternative projection of still more rapid fertility decline -- a decline such as achieved in China, Colombia, and Thailand in the past two decades -- population growth could remain great in most developing countries. We must accept the likelihood that population growth will accelerate in Africa because mortality still has far to fall and can be brought down fairly rapidly. Kenya would still have a growth rate around 2 1/2 percent in the year 2000, and India and Brazil around 1 1/2 percent. In the long run, many countries may wish to reduce population growth rate to less than one percent, which is already China's goal. But the alternative projections of rates of fertility decline make one thing painfully clear: for the next several decades, most developing countries will need to make a concerted effort just to reduce population growth to a rate closer to one percent.

To sum up this brief demographic overview:

It has been almost two decades since the peak of population growth in developing countries as a whole was passed. But the turnaround to a reduced rate of growth has been slow, and has been far from pervasive. Increases in population size are projected to mount for at least another two decades. In many countries of the developing world, populations will triple in size, or more, by the year 2050, even assuming substantial declines in fertility.

Thus, two decades after the turnaround, the slow pace of change and its uneven incidence point more than ever to rapid population growth as a central development problem.

Now let us return to the first of our three principal messages: that rapid population growth is a development problem. Why does it put a brake on development? There are three main reasons.

First, it exacerbates the difficult choice between higher consumption now and the investment needed to bring higher consumption in the future. As population grows more rapidly, larger investments are needed just to maintain current capital per person, both physical capital and "human" capital -- that is to say, a person's education, health and skills. Otherwise, each worker will have less equipment and skills to work with, and productivity and incomes will stagnate or even fall. Every effort is thus required simply to maintain the status quo. And where it is hard to raise the level of capital and skills per worker, it is even harder to raise incomes and living standards.

To illustrate this briefly: in most developing countries, the high fertility and falling infant mortality of the mid-1960s mean that about 40 percent of populations are aged under fifteen. Countries such as Malawi face a doubling or tripling of their school-age population by the end of the century. With rapid fertility decline could come savings of more than 50 percent in the school system thirty years from now; savings that could be used to improve the quality of schooling.

The same is also true of jobs. High-fertility countries face large increases in their labor forces. As an example, Nigeria's high fertility in the 1970s guarantees that its working-age population will double by the end of this century. Kenya can expect an even larger increase, whereas China will experience a rise of no more than 45 percent.

Second, in many countries increases in population threaten what is already a precarious balance between natural resources and people, as here in Kenya. Where populations are still highly dependent on agriculture, continuing large increases in population can contribute to overuse of limited natural resources, such as land, mortgaging the welfare of future generations.

In many parts of Africa, strains on natural resources are already acute -- for example in this country, in Burundi, Malawi, eastern Nigeria, Rwanda, and parts of the Sahel region. But countries rich in natural resources do not escape the problem of rapid population growth. To exploit their natural resources, countries such as Angola, Ivory Coast, Nigeria, Zaire, and Zambia need extra skills, as well as heavy investment in roads and storage and distribution systems -- a more difficult goal if population is growing rapidly.

In part, the problem arises because rapid population growth slows the transfer of labor out of low-productivity agriculture into modern agriculture and other modern jobs. In many countries, much of the huge projected increases in the labor force will have to be absorbed in agriculture, a difficulty which today's developed countries never faced during the period of their economic transformation. Here in Kenya, assuming a 4 percent annual increase in the number of jobs outside agriculture, and an immediate start of fertility decline, 70 percent of the labor force will still be going into agriculture forty years from now, and their number will be twice what they are today. With farm size already averaging only about three acres of prime arable or equivalent land, we are bound to ask how Kenya can sustain such numbers.

Elsewhere in Africa, in parts of China, Bangladesh, and Indonesia, population pressure has already forced people to work harder, often on marginal land and shrinking farms, just to maintain household income in traditional agriculture. But the problem is not just continuing low income for many families. When undue stress is placed on traditional agricultural systems and the environment is damaged, the economic well-being of the poor is particularly threatened. Here in Kenya, as elsewhere, women have to go farther and farther to find wood and water. In Addis Ababa, Ethiopia, the price of increasingly scarce wood for fuel has risen tenfold during the 1970s and now claims up to 20 percent of household incomes. In lowland areas surrounding the Ganges in southern Asia, population growth and competition for land have forced many people to live too close to the river, in the path of annual floods.

Third, rapid population growth is creating urban economic and social problems that risk becoming wholly unmanageable. Cities in developing countries are growing to a size for which there is no prior experience anywhere. Between 1950 and 1980 the proportion of urban dwellers in developing countries in cities of more than 5 million increased from 2 to 14 percent, growing at a rate of 15 percent a year. Brazil's Sao Paulo, which by the year 2000 could well be the world's second largest city after Mexico City, was smaller in 1950 than either Manchester, Detroit, or Naples. London, the world's second largest city in 1950, will not even be ranked among the twenty-five largest by the end of the century. The rise in urban population, 50 percent of which is due to natural increase, poses unprecedented problems of management even to maintain, let alone improve, the living conditions of city dwellers.

In the light of these disturbing facts about the impact of rapid population growth on development, must we conclude that the population brake on development in the Third World can nowhere be released?

Countries in which education levels are already high, where much investment in transportation and communications is already in place, and where political and economic systems are relatively stable -- these countries are better equipped to cope with the problem of rapid population growth. This is true whether or not their natural resources are limited or their countries already crowded, such as in economically rising East Asian countries like Korea and Singapore. But these tend also to be countries in which population growth is now slowing.

Those countries where there is rapid population growth could also cope better with the problem if the right economic and social adjustments could be made fast enough, if technical change could be guaranteed, and if rapid population growth itself inspired technical change. But such growth, if anything, makes adjustment more difficult. It brings at best only the gradual adaptation which is typical of agriculture, maintaining but not increasing per capita output. It is the rich countries, where population growth rates are slow, that are the architects of technological change. And their interest is in labor-saving, not labor-using, innovations.

While the effects of rapid population growth may vary widely, depending on the institutional, economic, cultural, and demographic setting, the evidence points overwhelmingly to the conclusion that it slows development. And conversely, that slower population growth can help accelerate development.

Policies to reduce population growth are not, of course, a panacea for development, nor are they substitutes for sensible macroeconomic and sectoral policies. Trade and exchange rate policies that promote economic efficiency and do not penalize labor, and the dismantling of institutional barriers to job creation, would ease employment problems. Correct pricing policies in agriculture, and more resources allocated to rural credit, agricultural research and extension, would help increase agricultural output. But failure to address the population problem will itself reduce the set of development policies that are capable of implementation. And it would permanently foreclose some long-run development options.

This brings me to our second message: there are appropriate policies to slow population growth.

It is the poor, with little education, low and insecure income, and poor health and family planning services who have many children. Yet it is also the poor who are the principal losers as rapid population growth hampers development. This seeming paradox provides the starting point for understanding the need for, and the designing of, appropriate policies to reduce fertility.

All parents everywhere get pleasure from children. But children involve economic costs; parents have to spend time and money bringing them up. For poor parents in developing countries, however, the economic costs can seem low in relation to the benefits.

Let me cite a few reasons:

- When wages are low, the difference between children's and a mother's earnings will be small; income lost by the mother during a child's infancy may often be easily recovered by the child later on.

- When schooling opportunities for children are lacking, how can one argue that it is a better investment to have two or three educated children than a large family that cannot be educated?

- Poor parents worry about who will take care of them in their old age or when they are ill, and for many the need for support in old age outweighs the immediate costs of children. And since many children die young -- for example, one out of five children dies before reaching the age of one in some parts of Africa, and one out of seven in much of Bangladesh, India, and Pakistan -- the incentive to have many babies to ensure that a few survive is very great.

These are but three of the many factors encouraging large families. Add to that the limited information about, and access to, modern and safe means of contraception, and we can well understand why high fertility among the poor is so prevalent.

However, parents and children do not always gain where there are many children. Inadequate access to land, or the poor health of both mothers and children, often as a result of closely spaced births, can confound the parents' expectations.

Thus, if parents have many children in the hope of economic gain, the first step in reducing fertility must inevitably be to work towards the reduction of their poverty and of the uncertainty about their own future. In this sense, the persistence of high fertility in today's developing countries is a symptom of lack of access to services that the industrial world more or less takes for granted:

- to health services, which reduce the need for many births to insure against infant and child mortality;

- to education, which would raise parents' hopes for their children and would broaden a woman's outlook;

- o to social security and other forms of insurance for old age;
- o to consumer goods and social opportunities that compete with child-bearing;
- o and to family planning services, which provide the means to limit births.

The general components of the solution to high fertility would therefore seem clear enough. But in countries where there is as yet no national policy on population size and no family planning effort supported by the government, there remains the question of the justification of government action to encourage people to have fewer children. As I said at the outset, family and fertility are areas of life in which the most fundamental human values are at stake. And governments need to be very sure that public policy has a place in such private areas.

I would like to suggest, therefore, two broad justifications for government action.

The first is that a government owes a duty to society as a whole. It cannot remain indifferent to the gap that exists between an individual couple's hopes for private gain from having many children and the prospects for social gains for the community as a whole. "We wish to benefit from a large family" the couple may say, "but we wish our neighbors would have fewer children so that ours would face less competition for land and jobs." It is not easy to persuade a couple to give up the possible private benefits of many children, when its sacrifice alone would provide only minuscule benefits to other families' children and grandchildren. One family's restraint will have little negative effect on the availability of land, or on resources for investment in schooling and jobs. But, as governments are all too aware, many children born of many families will.

Governments are expected to have long time horizons, and to weigh the interests of future generations against those of the present. They have to bear in mind not only the pressure on land and jobs that results from high fertility rates. They must also weigh the fact that health and education costs of children are heavily subsidized by the public sector, and that high fertility constrains the amount of resources available for investment, and hence for future income growth.

But can high fertility be reduced so long as the individual couple's wish for itself is in conflict with its wish for society as a whole? The cause of the conflict is poverty; not just low income, but also lack of economic and social opportunities, an insecure future, and limited access to education, health and family planning services. Such a conflict requires public policy to provide alternative ways of securing the benefits that a large family of children can provide to their parents. In short, governments need to provide tangible evidence that it really is in the best private interests of parents to have fewer children. That will encourage people to make, through their government, a contract with each other: "if each of us has fewer children, we can rely on government support for nationwide measures to improve access to family planning services and to create incentives for their use, thus ensuring that everybody makes the same decision. That way we and all our children will enjoy a better chance in life."

By encouraging and supporting such a social contract, the government frees each individual couple from its need to decide in isolation to produce more children than it would want if others were limiting their family size.

That is the first justification for government action.

The second justification is that people may have more children than they want, or would want had they more information about, and access to, easier fertility control. They may lack, or disbelieve, information about falling child mortality; about the benefits to existing children of limiting family size; about the health risks to both mother and children of too many and too closely spaced births. The very idea of planning pregnancies may be unknown, and even if they know about family planning, couples may not know how to practise it.

Here the government's role as the disseminator of information and services is critical. It can encourage the wider provision of modern contraceptives by private suppliers. But in many countries where distribution systems are poor, health care inadequate, and demand unknown and possibly limited, governments will need to play a more direct role, subsidizing or even organizing contraceptive services.

There are an estimated 65 million couples in developing countries, many of them poor inhabitants of remote rural areas, who do not want more children, but who do not use any contraception. This is often for lack of access to effective contraceptives. This unmet need for family planning services is the strongest possible argument for government support of programs that can enhance the welfare of the parents and give their children a better chance in life.

To complement family planning services and social programs that help to reduce fertility, governments may wish to consider financial and other incentives and disincentives. Incentives compensate individuals for the economic and social losses of delaying births or having fewer children. They extend further the subsidy governments provide when they use public resources to deliver family planning services. Deferred incentives, that is compensation at a later date for a couple's decision to delay or limit births, is an alternative less costly than more conventional payments for restricting fertility. The expenditures come in the future, at a time when the saving to society from fewer births is being reaped. Disincentives are the withholding of certain social benefits from those whose family size exceed a desired norm.

Incentives and disincentives provide individuals with direct and voluntary trade-offs between the number of children and possible rewards and penalties. Those who accept payment for not having children do so because they find this trade-off worthwhile; they are compensated for some of the public savings from lower fertility. Similarly with disincentives, those who choose to pay the higher costs of additional children compensate society as a whole for that private benefit. Thus incentives and disincentives afford a choice. But choice will be preserved only if programs are well-designed and carefully and fairly implemented.

The third message is that we know from experience that public policy and programs can and do make a difference. Many developing countries have already shown that fertility can be reduced substantially, and over a short period of time.

In today's developed countries, as development progressed, fertility fell. But current rates of population growth are so much greater in the developing world than they were at comparable income levels in today's developed countries. Thus many developing countries cannot afford to wait for fertility to decline spontaneously. They need to place strong emphasis on policies that will accelerate fertility decline, especially education for women, and good family planning services to achieve it. It is encouraging, therefore, that some developing countries have already shown that these and related measures can in fact bring fertility down significantly.

It was once assumed that reducing fertility in developing countries would require a typical sequence of economic advance: urbanization, industrialization, a shift from production in the household to factory production, and incomes rising to levels enjoyed by today's developed countries. This view seemed to be confirmed by the fertility declines of the 1960s, particularly in the industrializing economies of Korea, Singapore, and Hong Kong. But fertility declines beginning in other developing countries in the late 1960s, and spreading to more in the 1970s, came with a

different kind of development: education, health, the alleviation of poverty, improved opportunities for women, and government effort to assure widespread access to family planning services. Declines in birth rates since 1965 have been much more closely associated with adult literacy and life expectancy than with GNP per capita. For example, despite high average incomes, rapid industrialization, and fast economic growth, birth rates fell less in Brazil and Venezuela between 1965 and 1975 than in Sri Lanka, Thailand, and Turkey where income gains and social services were more evenly distributed.

The association of social development -- including gains in literacy and life expectancy -- with low fertility is not surprising. When children have a better chance of surviving and of enjoying a wider range of opportunities, their parents are willing to devote more time and money to educating them, and then have fewer of them. And as education brings an increase in opportunities for women outside the home, those opportunities substitute for the benefits of having many children.

Social development, however, comes only gradually. Encouragement of later marriage and longer breast-feeding can help reduce the birth rate. But the experience of many developing countries shows that it is public support for family planning programs which really can lower fertility quickly.

When family planning services are widespread and affordable, fertility has declined more rapidly than social and economic progress alone would predict. For example fertility has fallen faster and to lower levels in Colombia, where family planning programs received government support starting in the late 1960s, than in Brazil, a richer country where central government involvement is minimal. It has fallen more in Egypt and Tunisia, countries with demographic objectives, than in their richer neighbor, Algeria.

The evidence is clear that two policies to reduce fertility are central. One is more widespread education, especially for women; the other is easier access to contraception.

In all countries, women who have completed primary school have fewer children than those with no education. And everywhere the number of children declines regularly -- and usually substantially -- as the education of mothers increases above the primary school level. The differences can be large; about four children between the highest and lowest groups in Colombia, for example.

Education delays marriage for women, either because marriage is put off during schooling, or because educated women are more likely to work or to take time to find suitable husbands. Educated women are also more likely to know about and adopt new methods of birth control. Here in Kenya, 22 percent of those with nine or more years of education use contraception, as opposed to only 7 percent with five or fewer years of education.

Improving both boys' and girls' educational opportunities can have an immediate payoff in terms of lower fertility of their parents. Once they know that schooling will open up new opportunities for their children, the parents accept the risk of having fewer children in order to invest more in each one. Evidence from household surveys in India, Egypt, and Nigeria show that parents have fewer children when education is readily available.

African governments should therefore not weaken their commitment to basic education for all, especially for women, despite current financial strains. The commitment to primary education here in Africa is strong indeed. But the indispensability of more education to less fertility should spur African governments to act even more determinedly on that commitment.

The second central policy is making access to contraception easier. Fertility declines have everywhere been eventually tied to increasing use of contraception. Cross-country analysis has shown that, for the average country, previous fertility decline, indicating a continuing trend away from large families, accounted for 33 percent of the total fall in fertility between 1965 and 1976; socioeconomic change accounted for 27 percent. But family planning effort accounted for more than either: 40 percent. Clearly, programs providing publicly subsidized information and access to modern contraceptive methods can reduce fertility.

But family planning is also a health measure. In much of Africa, where the health of children and mothers is relatively poor compared to other regions, child spacing of at least two years can reduce child mortality by about 15 percent. It can also significantly reduce maternal mortality. And in addition to child spacing for health, family planning programs can help adolescents, including young newlyweds, to avoid first births that come too early for young women. In Africa's circumstances, in particular, the provision of safe and effective family planning services can discourage recourse to traditional family planning methods that may be relatively unsafe or unworkable.

Some eighty-seven countries in the developing world, representing about 95 percent of its population, now provide such publicly subsidized family planning programs. Tremendous progress has been made in improving couples' access to information and services. But much more needs to be done. Nearly all programs fail to reach most rural people; even in the towns and cities the quality of services is often poor and discontinuation rates of users high. In many countries the potential of the private sector to provide family planning services has hardly been tapped; in others the gap in services provided privately can be filled only by enlarging public programs. Twenty-six countries have yet to introduce family planning programs. Almost half of these are in Africa, where incomes are among the lowest in the world, population growth is the highest, and the potential benefits from family planning may be the greatest.

About 40 percent of all couples in the developing world now use some form of contraception, ranging from 70 percent in China and Singapore to less than 10 percent in most of Africa. But in all countries surveyed, the number of women of childbearing age who want no more children exceeds the number practising contraception. About $2 billion is currently spent on public family planning programs in developing countries each year. In most countries it is less than $1 per head of population (about $21 per user). To fill unmet needs today of women who would like to space or limit births but who are not practising contraception would require another $1 billion per year.

In the next two decades, program spending will need to rise even further, because of the growing number of women of childbearing age, and the increasing proportion of them who are likely to want to use modern contraceptives. If developing countries are to achieve a rapid decline in fertility, leading to a developing world population of 6.5 billion in the middle of the next century, an estimated $7.6 billion (in 1980 US dollars), or $1.66 per capita, would be needed in the last year of this century. What we call the standard decline, leading to a developing world population of 8.4 billion in 2050, would require $5.6 billion a year at the end of this century, or $1.14 per capita. The estimated per capita expenditure on population programs in developing countries today is 62 cents. That can be compared with government spending per capita of about $7 on all health programs in developing countries in 1982.

The figures make it clear: relatively small increases in government spending could go a long way toward meeting the projected financial requirement for supplying family planning services. And that could make the difference between 6.5 billion and 8.4 billion people in the developing world by the middle of the next century.

The same is true for external assistance. International aid for population programs has two major objectives: to assist governments and private organizations in providing family planning, information, and services, and to assist governments in developing population policies as part of their overall development strategy.

Only about 1 percent of official development aid now goes for population assistance, and less for family planning. It supports about 25 percent of all family planning costs in developing countries, and about 50 percent of family planning programs outside China. Assuming these proportions did not change, population assistance would need to triple its current level by the year 2000 to achieve standard fertility decline, or quadruple it for the rapid decline. A quadrupling would raise annual population assistance from about $500 million in 1981 to $2 billion (in 1980 dollars) by the end of the century. Few could dispute that relatively small increases in donor assistance can, given effective policies in developing countries, make a vast difference in population change, and significantly improve maternal and child health. Those relatively small increases must be forthcoming.

Since Sweden made its first population grant in 1968, donors have transferred more than $7 billion in population aid. Although its contribution has been falling in real terms since 1972, the United States has remained until now the biggest supporter of population programs, providing, along with private U.S. foundations, about 40 percent of all population aid. Japan is the second largest donor. Canada, the Federal Republic of Germany, the Netherlands, and Norway have all increased their share of the total. Donor assistance is provided both directly to country programs and through multilateral and non-governmental organizations, of whom the two largest are the United Nations Fund for Population Activities (UNFPA) and the non-governmental International Planned Parenthood Federation (IPPF).

The World Bank also has an active role to play in helping address the problem of rapid population growth. The Bank attaches major importance to this key development issue, and offers its support in three ways:

- by helping improve understanding, through its economic and sector work and through policy dialogue with member countries, of the consequences for development of faster or slower population growth;

- by helping support development strategies that naturally build demand for smaller families, especially by improving women's opportunities in education and income generation;

- o and by helping supply safe, effective, and affordable family planning and other basic health services focussed on the poor in both urban and rural areas.

Over a period of fourteen years, the Bank has committed about $500 million for population projects, and over $100 million for health projects. Its operations grew in real terms by more than 5 percent per year between 1977 and 1983, despite the fact that the terms of its finance are not as easy as most population assistance, which is in grant form. Meanwhile, the Bank cooperates with other U.N. organizations, especially UNFPA and the World Health Organization (WHO), in research analysis, and operations requested by member governments.

In the next few years, as part of a major effort involving donors and developing countries to increase resources for population programs, the Bank intends at least to double its population and related health lending. The major focus will be on Africa and Asia. We believe that the opportunity is there, and we look forward to cooperating with governments in the design and implementation of effective population policies and programs. During the next five years, the number of population and related health projects that we plan to finance in Sub-Saharan Africa will rise to twenty-one from the total of three financed by the Bank in the five years to mid-1983. And the number of countries of the region which will be borrowing from us for that purpose will likely rise from three to seventeen.

Small increases in spending, as I have noted, can make a big difference. Sustained progress, however, requires not just donor funds. It requires a firm commitment on the part of the international community to population progress as a critical part of the overall development effort. And the strongest commitment must be made by the governments of the developing countries themselves.

Religious and cultural characteristics cannot be ignored in designing an effective policy to reduce fertility. But they do not rule out effective action. In every part of the developing world during the past decade, some governments have made significant progress in developing a policy to reduce population growth. And where progress has been made, it has been because governments, setting explicit demographic goals, have been employing a wide range of policies, direct and indirect, to reduce the attractions of high fertility.

An effective policy requires the participation of many ministries, not just the Ministry of Health, and clear direction and support from the most senior levels of government. It requires the collection of reliable data and expert analysis of it to identify rapid population growth and project its consequences. Such information is critical to generating and sustaining the political commitment of leaders to slow growth. And strong institutions, both central and local, are needed to translate that political commitment into effective policy and action.

Let me now sum up.

Ten years ago, at the World Population Conference in Bucharest, a debate raged about the relative merits of development and family planning programs as alternative ways of slowing population growth. It is now clear that the dichotomy is false. Accumulating evidence on population change in developing countries shows that it is the combination of social development and family planning that is so powerful in reducing fertility.

But further fertility decline, and the initiation of decline where it has not begun, will not come automatically. In rural areas and among the less educated, desired family size will not be reduced much without sustained improvements in living conditions. The gap between the private and social gains of high fertility, itself the product of poverty, calls out for government action, especially in areas relating to women, that merit government action anyway.

But measures to raise living standards do not quickly bring about fertility reductions. The need is to act now in education, primary health care, family planning, and improving women's opportunities, so as to bring a sustained decline in fertility over the long run. In the meantime, too many couples still do not benefit from adequate family planning services. Family planning programs, successful as they have been, have by no means reached their full potential. Action there will provide an immediate payoff.

In concluding, let me stress the central message on population growth in the World Bank's 1984 World Development Report.

Economic and social progress helps slow population growth; but at the same time rapid population growth hampers economic development. It is therefore imperative that governments act simultaneously on both fronts. For the poorest countries, development may not be possible at all unless slower population growth can be achieved soon. In the better-off developing countries, continuing high fertility, especially among poor people, could prolong indefinitely the long wait for development to improve measurably the quality of their lives.

No one would argue that slower population growth alone will assure progress. But the evidence in the World Development Report seems conclusive. Poverty and rapid population growth reinforce each other. Therefore the international community has no alternative but to cooperate, with a sense of urgency, in an effort to slow population growth if development is to be achieved. But it must be slowed through policies and programs that are humane, non-coercive, and sensitive to the rights and dignity of individuals.

World population has grown faster, and to higher numbers, than Malthus would ever have imagined. But so have world production and income. If we can correct the current mismatch between population and income-producing ability, a mismatch that leaves many of the world's people in a vicious circle of poverty and high fertility, we may yet evade the doom which Malthus saw as inevitable. It is <u>not</u> inevitable that history will vindicate his dire prediction of human numbers outrunning global resources. We have a choice.

But that choice must be made now.
Opportunity is on our side.
But time is not.

Thank you.

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